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Know The Disability Management Benchmarks.

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It seems only yesterday that successful management of disability programs was no big deal. Costs were relatively low and stable; plan designs were simple; most people wanted to be at work; and long-term employer-employee relationships were the norm. There were few or no connections between healthcare, disability, and workers' compensation programs.

How times have changed! In the last 10 years, disability incidence has increased dramatically-due partly to aging population, new medical conditions and medical technology, breakdown in the traditional employer-employee relationships, and major structuring in large sectors of our economy. Meanwhile, getting employees back to work after disability has become more difficult, and not always due to lack of motivation. Many times, there is no job to which to return.

So, employers, insurers, and third-party administrators are struggling with increasing absence from work due to illness or injury, and the strain this places on productivity. If they are to be more "lean and mean" than in the past, so as to compete successfully in global economies, they know they must keep their remaining employees healthy, at work, and producing.

The response to these trends has been to focus more on closely managing absence and lost time. Thus, on the heels of managed healthcare has come the rise of managed disability and integrated lost time management. To keep people producing, employers are integrating all or pieces of their health, disability and WC programs, with prevention, early intervention, and return to work as the building blocks.

This has yielded a much more sophisticated approach to disability claim management. Employers need to be sure their lost time and disability management programs are designed and managed in ways that minimize costs and maximize productivity. Insurers and TPAs need to know their disability claim services are providing value to clients, and that claim payments are necessary and accurate.

How can employers, insurers, and TPAs ensure their disability management programs are performing effectively? A good start is to evaluate program performance against "best in class" benchmarks in two areas: customer service and risk management.

Customer Service. Disability management is, at its core, a human process. People who are sick or injured and out of work are usually depressed, frustrated, or both. Dealing with them in a sensitive way, while still achieving the objectives of the program, is very important and takes a lot of skill and life experience. Responsiveness is crucial.

In this area, best in class disability service and communications usually include:

- Toll-free telephone number for claim reporting and inquiries.
- Early telephone interviews with claimant and employer/supervisor.
- Telephone/voice response standards in place for average speed of answer, call abandonment rate, busy signals, and call returns.

- Prompt handling of mail inquiries.
- Written correspondence standards.
- Appropriate setting of expectations with claimant, on process and timeframes.
- Weekly and/or monthly status updates.
- Standards for complaint acknowledgement and resolution.
- Multi-lingual capability.
- Standards for payment timeliness.
- Minimum redundancy between programs (e.g., LTD and WC).
- Quality control/audit programs in place to ensure standards are met.

There may, of course, be other elements depending on the situation.

Risk Management. Assessing and managing disability is a subjective process involving financial, vocational, and clinical issues. Best in class disability risk management programs in this area usually include the following:

- Payment accuracy standards, including **overpayment recovery**.
- Other income **benefits** (e.g. **Social Security Disability**).
- Identified and offset according to plan provisions.
- Eligibility verification (including work-related assessment).
- Early intervention and resolution standards.
- Clinical case management process and nurses on staff.
- Vocational rehab assessment and return to work plan.
- Disability duration guidelines in place and results tracked.
- Triage to separate "easy pay" claims from chronic/complex claims.
- Physician advisors by specialty.
- Behavioral health case management for psychiatric claims.
- Aggressive follow-up and resolution of claim validity issues.
- Fraud management/special investigative capability.
- Appropriate workloads for claim specialists.
- Appropriate and timely appeals resolution.
- Management information systems in place for meaningful outcome reporting.

In addition, several questions can be answered by a good benchmark analysis or operational review. These include: Are performance guarantees being met? Can process, workflow, or systems be improved to ensure optimal disability management? And does the workplace culture support disability management and return to work?

The quality and effectiveness of the disability management program is too important to leave to chance. Instead, apply best in class practices, and constantly measure your performance.

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